



## ANNUAL USE OF CAPITAL SURVEY - 2009

## NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Associated Banc-Corp

Person to be contacted regarding this report:	Joseph Selner
CPP Funds Received:	\$525,000,000
CPP Funds Repaid to Date:	\$0
Date Funded (first funding):	11/21/2008
Date Repaid <sup>1</sup> :	

RSSD: (For Bank Holding Companies)	1199563
Holding Company Docket Number: (For Thrift Holding Companies)	
FDIC Certificate Number: (For Depository Institutions)	5296
City:	Green Bay
State:	Wisconsin

<sup>1</sup>If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP). To answer that question, Treasury is seeking responses that describe generally how the CPP investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP investment was deployed or how many CPP dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP funds were outstanding).

<input checked="" type="checkbox"/>	Increase lending or reduce lending less than otherwise would have occurred.	In 2009, \$300 million of CPP capital was injected into the Bank, to further strengthen the Bank's balance sheet by increasing capital levels that already met the government's definition of well capitalized. In 2009, the Bank originated gross loans of \$9.6 billion.
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<input checked="" type="checkbox"/>	To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).	The Bank originated more than 25,000 mortgage loans (\$4.2 billion) in 2009, and sold \$3.7 billion in the secondary market. The Bank made 488 SBA loans in fiscal 2009, totalling more than \$45 million. More than 2,600 jobs were created or retained as a result of these SBA loans.
<input checked="" type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	In 2009, the Bank purchased \$2.6 billion of mortgage-related securities. The Bank believes that these purchases assist in the recovery and stabilization of the mortgage-backed securities market, which helps facilitate home ownership.
<input type="checkbox"/>	Make other investments	
<input checked="" type="checkbox"/>	Increase reserves for non-performing assets	In 2009, reserves for nonperforming assets increased approximately \$300 million. The CPP capital injection into the Bank maintained and augmented the well capitalized position of the Bank, offsetting the impact of increased reserves.

<input checked="" type="checkbox"/>	Reduce borrowings	In 2009, borrowings declined due to growth in deposits.
<input checked="" type="checkbox"/>	Increase charge-offs	In 2009, net loan charge offs were approximately \$440 million. The CPP funds allowed the Bank to maintain a well capitalized position and strong balance sheet, which offset the impact of higher net charge offs.
<input type="checkbox"/>	Purchase another financial institution or purchase assets from another financial institution	
<input type="checkbox"/>	Held as non-leveraged increase to total capital	

What actions were you able to avoid because of the capital infusion of CPP funds?

Banks like Associated are required to have significant capital and reserves. This is a bank's first line of defense to cover any losses. Our participation in the CPP further strengthened the Bank's balance sheet by increasing capital levels that already met the government's definition of well capitalized. The additional capital provided the Bank's customers with added confidence in the financial strength of the Bank during very volatile and uncertain times in the U.S. economy.

What actions were you able to take that you may not have taken without the capital infusion of CPP funds?

Without CPP funding, the Bank would not have purchased mortgage-related securities during calendar year 2009 of approximately \$2.6 billion. The Bank believes that these purchases assist in the recovery and stabilization of the mortgage-backed securities market, which in turn facilitates home ownership by increasing market origination capacity and improving pricing.

In 2009, CPP capital funding facilitated a \$300 million capital injection into the Bank. In addition, the Company used CPP capital to fund its wholly owned nonbank subsidiaries specializing in fixed rate consumer, real estate, automobile and personal loans, and asset-based small business loans that are secured by accounts receivable, inventory, machinery, equipment and real estate.

The infusion of CPP capital allowed Associated to continue to focus on its business goals and objectives, including meeting the financial needs of consumers and businesses in the communities the company serves.

Please describe any other actions that you were able to undertake with the capital infusion of CPP funds.

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According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 1505-0222. The time required to complete this information collection is estimated to average 80 hours per response.